

of the President's intention to terminate such designation, together with the considerations entering into such decision.

"SEC. 503. DESIGNATION OF ELIGIBLE ARTICLES,

19 USC 2463.

"(a) ELIGIBLE ARTICLES.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—Except as provided in subsection

(b), the President is authorized to designate articles as eligible articles from all beneficiary developing countries for purposes of this title by Executive order or Presidential proclamation after receiving the advice of the International Trade Commission in accordance with subsection (e).

"(B) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUN-

TRIES.—Except for articles described in subparagraphs

(A), (B), and (E) of subsection (b)(1) and articles described in paragraphs (2) and (3) of subsection (b), the President

may, in carrying out section 502(d)(1) and subsection (c)(1)

of this section, designate articles as eligible articles only for countries designated as least-developed beneficiary

developing countries under section 502(a)(2) if, after receiving

the advice of the International Trade Commission in

accordance with subsection (e) of this section, the President

determines that such articles are not import-sensitive in

the context of imports from least-developed beneficiary

developing countries.

"(C) THREE-YEAR RULE.—If after receiving the advice

of the International Trade Commission under subsection

(e), an article has been formally considered for designation

as an eligible article under this title and denied such

designation, such article may not be reconsidered for

such designation for a period of 3 years after such denial.

"(2) RULE OF ORIGIN.—

"(A) GENERAL RULE.—The duty-free treatment provided

under this title shall apply to any eligible article which

is the growth, product, or manufacture of a beneficiary

developing country if—

"(i) that article is imported directly from a beneficiary developing country into the customs territory of the United States; and

"(ii) the sum of—

"(I) the cost or value of the materials produced in the beneficiary developing country or any two or more such countries that are members of the same association of countries and are treated as one country under section 507(2), plus

"(II) the direct costs of processing operations performed in such beneficiary developing or such member countries is not less than 35 percent of the appraised value of such article at the time it is entered.

"(B) EXCLUSIONS.—An article shall not be treated as the growth, product, or manufacture of a beneficiary developing country by virtue of having merely undergone—

"(i) simple combining or packaging operations, or

"(ii) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.